

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Health Care Committee

BILL: CS/SB 1332

INTRODUCER: Health Care Committee and Senator Fasano

SUBJECT: Health Care Information and Transparency Act

DATE: February 16, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bedford</u>	<u>Wilson</u>	<u>HE</u>	<u>Fav/CS</u>
2.	_____	_____	<u>HA</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill is entitled the “Coordinated Health Care Information and Transparency Act.” The State Center for Health Statistics in the Agency for Health Care Administration (AHCA or agency) is renamed the Florida Center for Health Information and Policy Analysis (center). The center’s duties are revised. The agency is authorized to manage and monitor grants to advance the development of a Florida health information network. The agency is required to oversee and manage health care data from certain state agencies. The Comprehensive Health Information System Trust Fund is deleted. The State Comprehensive Health Information System Advisory Council is renamed as the State Consumer Health Information and Policy Advisory Council (council). The duties of the council are modified and the membership is revised. The members will serve a two year term with a possibility of reappointment. The agency is authorized to collect information from health care providers relating to professional organizations and specialty board affiliations. The agency is required to ensure the coordination of health care data. The bill requires AHCA to collect data on retail prices charged by pharmacies for the 100, rather than 50, most frequently prescribed medications. The bill deletes obsolete provisions relating to the caesarean section rate in hospitals and requires AHCA to publish caesarean section rates on its website.

This bill amends ss. 20.42, 408.05, 408.061, and 408.062, F.S., and creates one undesignated section of law.

II. Present Situation:

Agency for Health Care Administration

Section 20.42, F.S., creates the Agency for Health Care Administration. The agency is designated as the chief health policy and planning entity for the state. This section of law makes the agency responsible for the operation of the State Center for Health Statistics.

Chapter 408, F.S., provides the statutory authority for the programs administered and the functions performed by AHCA. The following sections of ch. 408, F.S., relate to the agency's responsibilities for data collection, research and analysis, and publication of health care information.

- Section 408.05, F.S., establishes the State Center for Health Statistics in the agency.
- Section 408.061, F.S., authorizes the agency to collect specified data from health care facilities, health care providers, and health insurers.
- Section 408.062, F.S., requires the agency to conduct research, analyses, and studies relating to specified health care subjects and issue reports.
- Section 408.063, F.S., provides for the dissemination of health care information by the agency.

Advisory Bodies

Section 20.052, F.S., requires each advisory body created by statute as an adjunct to an executive agency to be established, evaluated, or maintained in accordance with the provisions of the section. An advisory body may not be created unless:

- It meets a statutorily defined purpose;
- Its powers and responsibilities conform with the definitions for governmental units in s. 20.03, F.S.;
- Its members, unless expressly provided otherwise in the State Constitution, are appointed for four-year staggered terms; and
- Its members, unless expressly provided otherwise by specific statutory enactment, serve without additional compensation or honorarium, and are authorized to receive only per diem and reimbursement for travel expenses as provided in s. 112.061, F.S.

Section 20.03, F.S., defines "council" or "advisory council" as an advisory body created by specific statutory enactment and appointed to function on a continuing basis for the study of the problems arising in a specified functional or program area of state government and to provide recommendations and policy alternatives.

State Center for Health Statistics

Section 408.05, F.S., creates the State Center for Health Statistics in AHCA to establish a comprehensive health information system to provide for the collection, compilation, coordination, analysis, indexing, dissemination, and utilization of both purposefully collected and extant health-related data and statistics. This section specifies the types of data the center must collect and the functions the agency must perform in order to produce comparable and uniform health information and statistics. The center is directed to provide technical assistance to persons or organizations engaged in health planning and in the effective use of statistics collected and compiled by the center. The center is also directed to disseminate the data it collects and analyzes and to publish reports and special studies.

Subsection (6) of s. 408.05, F.S., specifies that the section does not confer on the agency the power to demand or require that health care providers or professionals furnish information, records, reports, or other data unless it is expressly required by law. The section also contains provisions relating to the funding of the center, including the creation of the Comprehensive Health Information System Trust Fund.

State Comprehensive Health Information System Advisory Council

The State Comprehensive Health Information System Advisory Council is established in s. 408.05(8), F.S., to advise the agency regarding the collection and dissemination of health information and make recommendations for improvements. The council consists of 13 members with 10 members appointed by the Secretary of AHCA, one member appointed by the Governor, one member appointed by the Chief Financial Officer, and one member appointed by the Commissioner of Education. Members are appointed for a term of four years.

In s. 408.05(3)(1), F.S., the agency is directed to develop in conjunction with the council a long-range plan for public reporting to allow consumers to compare health care services, beginning with the release of patient charges, infection rates, mortality rates, complication rates and information on health plans by the dates specified. The council is to advise the agency on the method and format for public disclosure.

Public Reporting of Health Care Information

The agency currently publishes data for public use on its consumer websites. In addition to the agency's central website (www.ahca@myflorida.com), the agency publishes data on www.FloridaHealthStat.com, www.FloridaCompareCare.gov, and www.MyFloridaRx.com.

Data made available on these consumer websites includes volume of cases, length-of-stay, and charges at each health care facility for groups of related diagnoses and procedures. The published data is adjusted for severity of illness or condition. Calendar year 2004 data is currently available in an interactive format where the user selects the type of data to be viewed based on a menu of options (www.ahca@myflorida.com/ www.floridahealthstat.com).

As of November 2005, the agency has released on the website hospital readmission rates, complication rates, mortality rates, and infection rates (www.CompareCare.gov). In coordination with the Attorney General's Office, retail prices for select prescription drugs have been published since June 2005 through a searchable consumer website (www.MyFloridaRx.com).

The agency uses the methodology developed by the federal Agency for Healthcare Research and Quality to produce comparative consumer indicators. Licensed hospitals and ambulatory surgical centers report patient data that is used to develop the indicators. Data reported to the agency is specified in rules 59B-9.010 through 59B-9.023, F.A.C., and rules 59E-7.011 through 59E-7.016, F.A.C., as authorized in s. 408.061, F.S.

Pursuant to 59E-7, F.A.C., beginning in 2007 the agency will require hospitals to report whether any secondary diagnosis contained in the records submitted to the agency was present at

admission. Present at admission data will enable the agency to expand and enhance reportable information on infection rates and complication rates.

The current requirements for public reporting in ss. 408.05(3)(l) and 408.062(1)(j), F.S., use the terms “performance outcome data” or “performance outcome indicators.” There are specific references to the publication of mortality rates, complication rates and infection rates in s. 408.05(3)(l), F.S.

Florida Health Information Network

Section 10 of HB 1629 from the 2004 Session created s. 408.062(5), F.S., to require the agency to develop a strategic plan for the adoption and use of electronic health records. The agency is authorized to develop rules to facilitate the functionality and protect the confidentiality of electronic health records.

The agency provides staff support to the Governor’s Health Information Infrastructure Advisory Board which was established by Executive Order 04-93 in May of 2004. The advisory board is to advise and support the agency as it develops and implements a strategy for the adoption and use of electronic health records and creates a plan to promote the development and implementation of a Florida health information infrastructure. The board may continue to operate until June of 2007.

The advisory board is proposing the development of the Florida Health Information Network, which would be a statewide health information infrastructure operating over the Internet, which will enable health care professionals to access a patient’s medical records from any provider database connected to the network. The network would be a collaborative effort among state and local governments, and the private sector, including regional health information organizations and health insurers. The operational core of the Florida Health Information Network would be a state level server that would function as the highest level server in a statewide client/server hierarchy.

It is anticipated that the Florida Health Information Network would be governmental at inception and would be a public/private partnership at maturity. Towards that end, the advisory board recommended the establishment of a not-for-profit private corporation. The Florida Health Information Network has incorporated as a Florida non profit corporation and is registered with the Florida Department of State, Division of Corporations.

The agency received a \$1,531,737 appropriation in fiscal year 2005-06 for the Florida Health Information Network to be used to provide grant funding of local and regional health information exchange pilot projects.

Guiding Principles for the Development of Information Systems

Part I of ch. 282, F.S., establishes requirements for information resources management for state agencies. Section 282.3032, F.S., adopts guiding principles to ensure the best management of the state’s information technology resources. The following are some of the guiding principles:

- State governmental entities should be committed to maximizing information sharing and participate in enterprise-wide efforts when appropriate.
- State governmental entities should maximize public access to data, while complying with legitimate security, privacy and confidentiality requirements.
- State governmental entities should strive for an integrated electronic system for providing individuals with information to the extent possible.
- Integration of data elements should be achieved by establishing standard definitions, formats, and integrated electronic systems, when possible.

III. Effect of Proposed Changes:

Section 1. Gives this bill the name of “Coordinated Health Care Information and Transparency Act.” The purpose of the act is to provide better coordination of health information for purposes of public health, policy analysis, and transparency of consumer health care information.

Section 2. Amends s. 20.42, F.S., to rename the State Center for Health Statistics as the Florida Center for Health Information and Policy Analysis.

Section 3. Amends s. 408.05, F.S., relating to the State Center for Health Statistics, to rename the center and modify its duties.

Subsection (1) renames the center to be the Florida Center for Health Information and Policy Analysis (center).

Subsection (2) modifies the duty for the center regarding the collection of data to require the center to identify the best available data sources and coordinate the compilation of current health-related data and statistics or purposefully collect data. The center must currently collect data for the following:

- Illness and disability of the state population.
- Impact of illness and disability on state economy and on other aspects of well being.
- Environmental, social and other health hazards.
- Health knowledge and practices of the state.
- Health resources.
- Utilization of health care.
- Health care costs and financing.
- Family formation, growth, and dissolution.
- Extent of public and private health insurance coverage.
- Quality of care provided by various health care providers.

Subsection (3) outlines various functions for AHCA to perform with the ultimate goal of producing a comprehensive health information system for the development of policy recommendations. This bill requires entities under contract with any state agency, not just the Department of Health, to assist the center in obtaining, compiling, and transferring health-care-related data maintained by state and local agencies. The “State Comprehensive Health Information System Advisory Council” is renamed the “State Consumer Health

Information and Policy Advisory Council.” This bill changes “performance outcome” data to “health care quality measures” data with regard to the types of information that are to be made available to consumers and defines those measures to include, but not be limited to: process measures; patient-safety indicators; inpatient quality indicators; performance measures; and patient charge data collected from health care facilities. The Centers for Disease Control and Prevention is added to the list of national entities that adopt health care quality measures for AHCA to consider when looking at additional measures for Florida.

Subsection (4) states that the center will provide technical assistance to other public and private organizations for meeting documented health care data needs, rather than seeking cooperative agreements with such organizations. The bill requires the center to monitor innovations in health information technology and maintain technical resources for support of a Florida health information network. The center is also required to provide technical assistance by administering, managing, and monitoring grants to not-for-profit organizations, regional health information organizations, public health departments, or state agencies that submit proposals to advance a Florida health information network. The bill requires grant contracts to be evaluated to ensure the effective outcome of the health information project. The center will also manage and integrate the health care data from each state agency and make it available to health care practitioners through this network.

Subsection (5) adds the requirement for the center to publish consumer reports concerning health plans and satisfaction surveys for HMOs, instead of HMO report cards.

Subsection (6) maintains the current statutory provisions that limit the ability of AHCA to collect information from a health care provider or professional without express statutory authority.

Subsection (7) deletes the Comprehensive Health Information System Trust Fund.

Subsection (8) renames the State Comprehensive Health Information System Advisory Council as the State Consumer Health Information and Policy Advisory Council. The bill modifies the duties of the council to assist the center in reviewing the comprehensive health information system, including the identification, collection, standardization, sharing, and coordination of health-related data, including fraud and abuse data and professional and facility licensing data, for the purpose of recommending improvements. The term of office for council members is changed from four to two years. The term of appointment shall end 3 years following the date of appointment for members appointed in 2003, 2004, and 2005. Members may be reappointed after their term expires. The bill deletes the provisions relating to staggered terms of office of the original appointments to the council. A vice-chair will be elected in addition to a chair. The council’s duties are outlined to include, but are not limited to the following:

- Develop a mission statement, goals, and a plan of action based on the guiding principles of s. 282.3032, F.S., for coordinating data among public and private entities.
- Develop a review process ensuring cooperation among agencies.
- Create ad-hoc technical workgroups for the purpose of making recommendations to the council.

Section 4. Amends s. 408.061, F.S., relating to data collection by AHCA, to add as part of the data to be submitted by health care providers, affiliations with professional organizations and specialty boards.

Section 5. Amends s. 408.062, F.S., to change the number of most frequently prescribed medicines from 50 to 100 for the collection of retail prices charged by pharmacies. The agency is required to post on its Internet website for each pharmacy the drug prices for a 30-day supply no later than October 1, 2006. The bill changes the date for AHCA to make available certain information on its Internet website from no later than October 1, 2004, to beginning no later than October 1, 2004.

The bill repeals obsolete provisions relating to the reporting of the caesarean section rates in hospitals in this state. The agency will continue to assess the caesarean section rate in hospitals and data from the assessment will be published periodically on the agency's website.

The bill authorizes the agency to develop an electronic health information network for the sharing of electronic health records among health care facilities, health care providers, and health insurers.

Section 6. Provides that the bill takes effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s. 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Art. III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill reduces the terms of office of the members of the State Consumer Health Information and Policy Advisory Council from 4 years to 2 years. Section 20.052, F.S., requires the term of office of members of advisory bodies to be 4 years, unless expressly provided otherwise in the State Constitution. The State Constitution does not provide a different term of office for the members of this council.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
